

COUNTY OF PRINCE WILLIAM, VIRGINIA

AGREED-UPON PROCEDURES

For the Year Ended June 30, 2021

***And Report of Independent Accountant on
Applying Agreed-Upon Procedures***

Report of Independent Accountant on Applying Agreed-Upon Procedures

Clerk, Prince William Circuit Court
Prince William, Virginia

Board of Supervisors
County of Prince William, Virginia

Compensation Board
Commonwealth of Virginia

Auditor of Public Accounts
Commonwealth of Virginia

We have performed the procedures enumerated below on the Clerk of the Prince William Circuit Court's (the "Clerk") assertion that the Clerk has complied with the requirements of Chapter 6, *Audit of Circuit Court Clerks* specified in the Commonwealth of Virginia's Auditor of Public Accounts' (the "APA") *Specifications for Audits of Counties, Cities, and Towns* (the "Specifications"), as of and for the year ended June 30, 2021. The Clerk is responsible for compliance with the requirements of Chapter 6 of the Specifications.

The County of Prince William, Virginia (the "County") has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of determining whether the Clerk has complied with the Specifications. Additionally, the APA and the Clerk acknowledged that the procedures performed are appropriate for their purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated results are as follows:

1. **Procedure:** Obtain the annual disclosure form filed by the Circuit Court Clerk and determine whether: (a) the form was complete; (b) the form was filed by the February 1, 2021 deadline; and (c) that the accurate form was filed according to the type of filer. Additionally, inquire of management as to whether the Clerk has a spouse or other relative residing in the same household, who occupies a direct supervisory and/or administrative position at the same "governmental agency" and receives an annual salary of \$35,000 or more.

Results: Procedure performed without exception.

2. **Procedure:** Identify the following items from the *General Ledger Report* ("BR29") for the year ended June 30, 2021: (a) account codes used but not identified in the Chart of Accounts in the Circuit Court Financial Accounting System ("FAS") User's Guide and (b) negative balances.

Results: We noted no accounts codes used, but not identified in the Chart of Accounts in the Circuit Court FAS User's Guide. We noted 5 (five) accounts that had negative balances as of June 30, 2021: 183 (Civil Penalty), 261 (Town Costs), 402 (unspecified funds), 411 (OVER/SHORT Account), 495 (Operational Expense).

3. **Procedure:** Compare 2020 fiscal year revenue to the 2021 fiscal year revenue per the BR29 report for accounts 1XX, 2XX and 3XX and identify all accounts with variances greater than 5% and more than 1% of 2021 fiscal year revenue.

Results: We noted there were two (2) accounts with variances greater than 5% and more than 1% of fiscal year 2021 revenue: 213 COUNTY GRANTEE TAX and 220 GRANTOR TAX.

4. **Procedure:** Identify the date upon which funds held as of June 30, 2021 were remitted to the Commonwealth and Local Treasurers.

Results: Funds were remitted to the Commonwealth and Local Treasurers on July 2, 2021.

5. **Procedure:** Inquire of management as to the automated systems used by the Clerk and select a sample of one (1) user for each system and observe the user logging in to determine whether system access is password protected.

Results: Procedure performed without exception.

6. **Procedure:** Select a sample of five (5) employees with access to the Clerk's systems during the year ended June 30, 2021 and compare the employees' access level within the system to that documented in the employees' files.

Results: Procedure performed without exception.

7. **Procedure:** Obtain a report of employees terminated during the year ended June 30, 2021, select a sample of the lesser of 10% or twenty-five (25) terminated employees and identify the number of days elapsed between termination of employment and removal of system access.

Results: Of the two (2) terminated employees selected, system access was removed within 3 days and zero days, respectively.

8. **Procedure:** Obtain the *Interface Reports (IN05 and INJ5)* for the month ended June 30, 2021 and identify system errors noted and inquire of management as to the reason(s) for not taking corrective action to clear such errors.

Results: We noted one (1) case from the "Interface Case Not Found" section of the IN05 report. This case is on the report as a result of predating a 2009 system transition. The Clerk has been instructed to ignore this error message.

9. **Procedure:** (a) Obtain the *Individual Account Status Report (BU06)* for the year ended June 30, 2021 and identify if there are accounts listed as appeals, credit balances, sum uncertain restitution, and accounts under review; (b) inquire of management as to the reason(s) for not taking corrective action on such accounts; (c) select a sample of the lesser of 10% or twenty-five (25) appealed cases listed and determine whether the Judge ordered the costs stayed during the appeal; (d) inquire of management as to whether the optional Time to Pay (TTP) default feature is used; and (e) if the TTP feature is not used, select a sample of the lesser of 10% or twenty-five (25) cases from the "Missed Payments" section of the BU06 report and obtain management's corrective action taken on those accounts.

Results: We noted that the BU06 as of June 30, 2021 reflected accounts listed as credit balances and sum uncertain restitutions. Per inquiry of management, these accounts were corrected after the completion of the agreed-upon procedures engagement for the year ended June 30, 2020, which was issued on May 3, 2022. We noted no appealed cases listed. We noted that the Clerk uses the optional TTP as a default feature based on inquiry of management; thus, no further procedures were performed.

10. **Procedure:** (a) Obtain the June 30, 2021 *Concluded Cases without FAS Receivable Report* (CR32) and select a sample of five (5) guilty cases without a corresponding receivable in FAS; (b) inquire of management as to the reason no receivable exists; and (c) inquire of management as to whether a private vendor system for financial accounting and/or case management is used and, if so, how the Clerk verifies that all guilty cases have corresponding receivable accounts.

Results: Procedure performed without exception.

11. **Procedure:** (a) Inquire of management as to whether the Department of Taxation's Integrated Revenue Management System ("IRMS") is used; (b) identify if there is activity in FAS Account 405 for the year ended June 30, 2021; and (c) select a sample of ten (10) defaults from the year-to-date statistical report for the year ended June 30, 2021 and, for each sample, determine that the payments to date are less than the total amount due.

Results: Procedure performed without exception.

12. **Procedure:** Inquire of management as to the method used for collection for delinquent accounts.

Results: We noted that the Clerk uses the Virginia Department of Taxation for collection of delinquent accounts.

13. **Procedure:** Identify all banks used by the Clerk and determine whether they are listed on the most recent qualified depository listing maintained by the Virginia Department of the Treasury pursuant to The Virginia Security for Public Deposits Act (Section 2.2-1815 of the *Code of Virginia*). Determine whether the Clerk has reported the bank accounts as public funds using the Virginia Department of Treasury SPDA Public Funds search.

Results: We obtained a listing of all banks used by the Clerk's office and noted that all were listed on the qualified depository listing maintained by the Virginia Department of Treasury. Procedure performed without exception.

14. **Procedure:** Select a minimum of two (2) monthly bank statements (one of which should be the audit month end date) for each bank account and determine whether: (a) the reconciliation is mathematically correct; (b) the "Adjusted Balance per Bank" and the "System Balance" agree to supporting documentation; (c) all deposits in transit were deposited timely per the subsequent bank statement (within two business days); (d) reconciling items were resolved timely (within next month); (e) the bank account was reconciled timely (first business day of following month), and (f) the reconciliation was reviewed and approved by the Clerk or Clerk designee.

Results: Procedure was performed without exception.

15. **Procedure:** Perform an unscheduled cash count of the Clerk's change fund.

Results: We were unable to perform an unscheduled cash count as a result of the engagement period being outside the agreed-upon procedures period.

16. **Procedure:** Select a sample of ten (10) days and determine whether: (a) agree the computed revenue amount per the Cash Reconciliation Worksheet of the *Daily Report (BR02)* to the deposit per the bank statement noting the deposit was intact and timely (next business day); (b) determine whether the Clerk and/or other assigned supervisory personnel signed the BR02; (c) for any days with differences between the original amount and the deposit amount determine if correcting journal voucher(s) was supported by proper documentation, performed correctly, and properly recorded on the Cash Reconciliation Worksheet of the BR02; (d) if the difference is the result of a voided receipt, ensure all copies of the receipt were retained; and (e) if the Clerk uses a separate financial accounting system to receipt taxes and fees, the secondary receipting system receipts for the day's collections have been entered into FAS.

Results: Procedure performed without exception.

17. **Procedure:** Using the month-end journal voucher summary reports (*Journal Voucher Report BR40*) and select a sample of ten (10) voided receipts and determined that: (a) determine if the journal voucher was supported by proper documentation, performed correctly, and properly recorded on the Cash Reconciliation Worksheet section of the BR02; and (b) all copies of the receipt were retained.

Results: Procedure performed without exception.

18. **Procedure:** Identify the number of transactions recorded in Account 411 of the *General Ledger Fiscal Year-to-Date Report (BR29)* for the year ended June 30, 2021.

Results: We noted thirty-five (35) transactions recorded in Account 411 of the BR29.

19. **Procedure:** Using all month-end *Disbursement Register Reports (BR41)* for the year ended June 30, 2021, select a sample of ten (10) non-reverting fund disbursements throughout the period and determine whether: (a) disbursement is in accordance with Section 17.1-276 of the *Code of Virginia*; (b) disbursement is supported by proper documentation. Additionally, we obtain a list of employees from the Clerk and determine if the Clerk disbursed any non-reverting funds directly to employees as cash bonuses or payroll. Select a sample of ten (10) disbursements and determined whether: (a) the Clerk obtained an appropriation from the locality and (b) the Clerk withheld applicable federal, state, social security, and Medicare taxes.

Results: Procedure performed without exception.

20. **Procedure:** Using all month-end *Disbursement Register Reports (BR41)*, as of and for the year ended June 30, 2021, select a sample of ten (10) disbursements throughout the period (excluding non-reverting and trust funds) and determined that: (a) the disbursement is coded to the proper account; (b) the disbursement is supported by documentation, and (c) if the Clerk uses a manual check-writing system, determine the number of days it took to be recorded in FAS.

Results: Procedure performed without exception.

21. **Procedure:** Using all month-end *Disbursement Register Reports (BR41)*, as of and for the year ended June 30, 2021, select a sample of three (3) monthly remittances of sheriff's service fees, account 234, to the local Treasurer and determined if the fees are remitted within the first ten days of the month.

Results: Procedure performed without exception.

22. **Procedure:** (a) Obtain the Manual Receipts procedure manual for civil and criminal transactions; (b) inquire as to the supervisory review of manual receipts; (c) select a sample of ten (10) manual receipts and determine whether the manual receipts agrees to the entry in FAS; and (d) determine whether the receipt was entered into FAS no later than the next business day.

Results: Procedure performed without exception.

23. **Procedure:** Select a sample of ten (10) civil cases filed during the year ended June 30, 2021 and determined whether: (a) state taxes and fees were properly assessed and collected as required by Sections 58.1-1727 through 1729 of the *Code of Virginia*; (b) Clerk's fees were properly assessed and collected as required by Sections 17.1-275.13 and 13a of the *Code of Virginia*, and (c) specific fund and local fees were properly assessed and collected.

Results: Procedure performed without exception.

24. **Procedure:** Select a sample of criminal cases concluded with disposition of guilty during the year ended June 30, 2021 as follows: twenty (20) if population is less than 1,000; twenty-five (25) if population is between 1,001 and 4,999, or thirty (30) if population is greater than 5,000 and determine whether for each case: (a) fines and costs were properly assessed and entered into FAS; (b) unpaid amounts were entered into the Judgment Docket; (c) for cases paid in full, a satisfied judgment was entered into the Judgment Docket.; for cases selected if time to pay is granted : (d) the DC-210 establishing due date was completed and signed by the defendant; (e) the due date was properly entered into FAS, and (c) for a partial payment plan, all applicable fields were properly completed in FAS (e.g. TTP Start, Term, Amount, and Incarcerated status).

Results: Procedure performed without exception.

25. **Procedure:** Select a sample of ten (10) local cases from the *Court Appointed/Public Defender Report (CR42)* for the year ended June 30, 2021 and determine whether: (a) the locality was billed for the cost (b) the court-appointed/ public defender fee was properly assessed and entered into FAS, and (c) the locality was billed for the public defender fee or paid the court-appointed attorney DC-40 invoice.

Results: Procedure performed without exception.

26. **Procedure:** Select a sample of the lesser of twenty-five (25) or 10% criminal juries commenced during the year ended June 30, 2021 and determine whether the defendant was appropriately assessed jury costs.

Results: Procedure performed without exception.

27. **Procedure:** We selected a sample of ten (10) deeds/land records recorded during year ended June 30, 2021 and determined whether: (a) the instrument recorded is not taxable or is exempt from taxes; (b) state taxes have been properly assessed and collected based on the consideration paid for the property conveyed; (c) local taxes have been properly assessed and collected in an amount equal to one-third of the amount of state recordation tax; (d) additional tax has been properly assessed and collected on deeds of conveyance based on consideration; (e) the Clerk's fees for recording, indexing, and plat fees were properly charged and collected; (f) fees for transferring land to one person or persons before charged to another were properly assessed and collected.

Results: Procedure performed without exception.

28. **Procedure:** Select a sample of ten (10) wills/administrations recorded during the year ended June 30, 2021 and determined whether: (a) state tax was assessed and collected based on the value of the estate; (b) local tax was assessed and collected based on the value of the estate; (c) Clerk's fees were assessed and collected for recording and indexing in the Will Book based on the number of pages recorded; (d) the Clerk's fees were assessed and collected for appointing and qualifying any personal representative, committee, or other fiduciary, ensuring that fees were receipted at the time of qualification; (e) fees for transferring land were assessed and collected; (f) additional tax was properly calculated, billed, and receipted on final inventories, and (g) if the Clerk uses a separate financial system to receipt taxes and fees on wills, determine whether the assessment was properly recorded in FAS.

Results: Procedure performed without exception.

29. **Procedure:** Using the June 30, 2021 *Liabilities Index (BR008)* report, select a sample of ten (10) accounts from the 5XX series (excluding Account 511 Trust Funds) and determine the status of the account and whether the Clerk is justified holding the funds based on approved court orders, established retention requirements, pending case (future court date assigned), or other special circumstances. For any of the above funds invested, trace and agree interest posted to the applicable bank statement.

Results: Procedure performed without exception.

30. **Procedure:** Using the June 30, 2021 *Individual Account Status Report (BU06)*, inquire as to the reason for any accounts listed as appeals, credit balances, sum uncertain restitution, or accounts under review.

Results: No accounts listed as appeals, credit balances, sum uncertain restitution, or accounts under review were identified.

31. **Procedure:** Using the June 30, 2021 *Property Unclaimed Over One Year Report (BR16)* and the Clerk's corresponding Unclaimed Property Report for the year ended June 30, 2021, select a sample of ten (10) accounts from the BR16, which were not reported to the Division of Unclaimed Property. Inquire of the Clerk as to the reason for holding these accounts (based on court order, established retention requirements, pending case, or other special circumstance).

Results: Procedure performed without exception.

32. **Procedure:** Obtain the June 30, 2021 *Property Unclaimed Over One Year Report (BR16)* and the Clerk's Unclaimed Restitution Report submitted to the Victim Witness Fund for the year ended June 30, 2021. Compare the reports and select a sample of ten (10) outstanding restitution disbursements on BR16 that were not escheated and determined they were appropriately re-issued to the victim. Additionally, obtain the June 30, 2021 *Liabilities Index (BR08)* and the Clerk's Unclaimed Restitution Report for the year ended June 30, 2021 submitted to the Victim Witness Fund. Compared the restitution accounts (account 517) with balances listed on the BR08 report to the Unclaimed Restitution Report and selected a sample of ten (10) not escheated and determined if the funds were disbursed.

Results: Procedure performed without exception. Seven (7) out of ten (10) unclaimed restitution accounts were still being held pending final orders and/or agreement with outstanding victims for cases.

33. **Procedure:** Determine the following for the Trust Fund Annual Report filed during the year ended June 30, 2021: (a) the Annual Report is available to the public via hardcopy Trust Fund Order Book or digital format; (b) the Clerk filed the Annual Report with the Chief Judge by the October 1st deadline; (c) the Annual Report agrees to the FAS 9XX accounts where the funds are recorded are recorded and Account 511 Trust Fund balances, and identify any negative ending balances in any of the 9XX series accounts; (d) the Annual Report ending balance agrees to the applicable bank statement balance(s); (e) the Annual Report conforms to Section 8.01-600(G) of the *Code of Virginia*, (f) inquire of management as to the reason for inactivity in individual accounts; and (g) select a sample of up to ten (10) accounts and inquire of management as to the reason for holding the funds.

Results: Procedure performed without exception. For the ten (10) sampled, eight (8) instances were noted where the Clerk was holding infant settlement funds until the minor child reaches the age of 18, one (1) instance where the funds had been subsequently disbursed and in one (1) instance where the receipt was erroneously recorded in the trust fund and subsequently corrected as a civil deposit.

34. **Procedure:** Using the Trust Annual Report filed during the year ended June 30, 2021, select a sample of ten (10) new accounts and determine whether: (a) the receipt amount agreed to the court order; (b) the court order is included in the Order Book (hardcopy or electronic) and does not contain confidential information; (c) appropriate Clerk's fees were deducted; (d) funds were invested within 60 days of receipt, and (e) the account is being held pursuant to Section 8.01-600 of the *Code of Virginia*.

Results: Procedure performed without exception.

35. **Procedure:** Select a sample of ten (10) individual trust accounts from the detailed individual account section of the BR30 for the year ended June 30, 2021 and determine whether: (a) the correct amount of interest, per the bank statement, was posted to the account (If the Clerk consolidates funds, re-calculate the interest allocation); (b) interest was posted within the next month, and (c) if the Clerk collects 5% of interest as Clerk's Fees, the 5% was calculated correctly.

Results: Procedure performed without exception.

36. **Procedure:** Select a sample of ten (10) trust account disbursements from the BR30 reported ended June 30, 2021 and determine whether: (a) the disbursement was made in accordance with the terms of the court order; (b) the check was posted to the proper subsidiary trust fund account; (c) appropriate Clerk's fees were deducted; and (d) deducted fees agree to the journal voucher recording the deduction.

Results: Procedure performed without exception.

We were engaged by the County to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not, conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the Clerk's compliance with the requirements of Chapter 6 of the Specifications. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the County and the Clerk and to meet our ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the Prince William County, Virginia's Board of Supervisors, the Clerk of the Prince William Circuit Court, the Compensation Board of the Commonwealth of Virginia, and the Auditor of Public Accounts of the Commonwealth of Virginia and is not intended to be, and should not be, used by anyone other than those specified parties.

Cherry Bekaert LLP

Tysons Corner, Virginia
September 5, 2023